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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY USSR/Hungary REPORT

SUBJECT Soviet Loss of Interest in Meat-Preservation Equipment and Refrigeration Plants for Vegetables and Fruit (at Akmolinsk, Stagninsk, Ishkintau, Petropavlovsk, Temir)

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THIS IS UNEVALUATED INFORMATION. SOURCE GRADINGS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

Attachment 1: Since end of 1960, Soviets have failed to display their earlier intense interest in ordering from Hungary equipment to preserve meat by both refrigeration and canning. Current est is in "freeze drying".

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Attachment 2: Hungarians did preliminary work for six refrigeration plants in the USSR early in 1961, but by June 1961, the Soviets had decided not to continue the construction, and the Hungarians returned home.

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U.S.S.R./HUNGARYEconomicREDUCED PRIORITY FOR MEAT-PRESERVATION EQUIPMENT

1. In 1959 and until early in 1960 the Russians were ordering large amounts of equipment from Hungary for meat preservation (both refrigeration and canning equipment) and were insisting that deliveries of this equipment from Hungary should be given top priority.
2. Towards the end of 1960 the urgency of these orders for meat preservation equipment was abandoned, and it became clear to the Hungarians that the Russians were no longer very interested in receiving this equipment in the immediate future. The orders have not been cancelled, and in fact nothing has been said officially by the Russian trading agencies, but it is noted that the Russians are now placing orders for equipment for preserving fruit and tomato purée and that they are not bothering to press for delivery of the equipment for preserving meat. At present KOMPLEX have Russian orders outstanding for about 25 large-scale plants for preserving fruit and tomato purée.
3. In private conversation with their Russian opposite numbers, Hungarian officials concerned with these deliveries have been given to understand that the present absence of interest in meat preservation equipment is due to the "absence of meat", production of which has not increased as planned, but has actually decreased.
4. There are however further technical considerations which the Hungarians (basing their opinion on private discussions with their Russian opposite numbers) believe to be relevant. It seems likely that the Russians have decided that if applied to general civilian consumption, refrigeration and canning of meat would be too costly. If meat is refrigerated, it involves a large bulk and weight to be transported, and moreover transport and storage must be carried out in continuous frozen conditions. If meat is canned, this again involves large bulk and weight for transport, and moreover in

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Russia at present there is a serious shortage of the thin sheets and tinplate which would be necessary for large-scale canning.

5. Hungarian technicians have noticed that there is now a strong interest in the technique of "freeze-drying", by which meat and other food products can be preserved indefinitely, without continual freezing, in air-proof plastic containers. When foodstuffs are preserved by this method, storage problems are simplified and the bulk and weight to be transported are greatly reduced. The only factor which presents serious difficulty is the need for large amounts of electrical energy.

6. In Hungary, the authorities have instructed KOMPLEX and the engineering Ministries to make a special study of the possibilities of manufacturing freeze-drying equipment in Hungary.

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June 26, 1961.

U. S. S. R.

Economic

CANCELLATION OF CONSTRUCTION OF VEGETABLE PRESERVING PLANT

1. A group of Hungarian specialists went to the U.S.S.R. early in 1961 to carry out preparatory work for the construction of refrigeration plants for preserving vegetables and fruit at AKMOLINSK, STEPNYAK, KOKCHETAV, PETROPAVLOVSK, TEMIR and a further locality near TEMIR. They returned, however, to Hungary in May or early June 1961 because the Russians had decided not to proceed with the construction of these plants.

2. The returning Hungarians gave it as their opinion that the construction of the plants had been cancelled because the output of vegetables and fruit in the areas visited by the Hungarians was declining rapidly, instead of increasing as planned, owing to the "epidemic of unwillingness to work" among the agricultural population.

3. The Hungarian trading agency KOMPLEX, which would have been responsible for supplying these plants, has still had no request from the Russians for the delivery of meat preservation plant which had been ordered as "top priority" by Russia from Hungary early in 1960. comment: it was previously reported that the Russians had lost interest in the delivery of meat-preserving plant, apparently owing to a failure to achieve the planned increase in meat output, and were now giving priority to plant for preserving fruit and tomato puree. Evidently the campaign to increase output of fruit and vegetables has run into the same difficulties as the meat-production programme).

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